مجله پیشـــرفت‌های حســـابداری دانشگاه شیراز
(مجله علوم اجتماعی و انسانی پیشین)
دوره شانزدهم، شماره دوم، پاییز و زمستان ۱۴۰۳، پیاپی ۸۷، صفحه‌های ۴۲۷-۳۷۹
DOI: 10.22099/jaa.2025.51662.2465
(مقاله علمی)

Journal of Accounting Advances, (2024) 16(2): 379-427
DOI: 10.22099/jaa.2025.51662.2465

Journal of Accounting Advances (JAA)
Journal homepage: jaa.shirazu.ac.ir/?lang=en

Shiraz University

The Impact of Multi-Level Networks of Management Accounting Innovation on Financial Distress in Business Cycles

Mohammad Namazi[1], Pedram Azizi[2]*

1. Distinguished Professor, Accounting Department, Faculty of Economics, Management and Social Sciences, Shiraz University, Shiraz, Iran, mnamazi@rose.shirazu.ac.ir
2. Ph.D. Candidate, Department of Accounting, Shiraz University, Shiraz, Iran. corresponding author, pedram.azizi@shirazu.ac.ir

1. Purpose

The application of innovation may have varying impacts on a firm's performance and financial status. This study aims to examine the role of multi-level networks in the dissemination of management accounting innovation on financial distress.

2. Design/methodology/approach

The research method is mixed, comprising qualitative (fuzzy Delphi technique, interpretive structural modeling) and quantitative (regression using panel data) sections. The statistical population in the quantitative section includes all firms listed on the Tehran Stock Exchange and the Iran Fara Bourse during the period from 2011 to 2022. In the qualitative section, the population consists of accounting experts with at least an associate professor rank and a minimum of 15 years of teaching experience in accounting and management accounting at top-tier universities in Iran. To achieve the research objective, data obtained from the opinions of management accounting experts in Iran and firms listed on the Tehran Stock Exchange and the Iran Fara Bourse were analyzed. Financial distress of firms was measured using four models: Altman, Springate, Ohlson, and Zmijewski.

3. Findings

The research findings indicated that multi-level networks for the dissemination of management accounting innovation include three indicators: cognitive innovation in management accounting centered on intellectual capital and CEO expertise in the industry, implementation of innovation in management accounting based on adopting a new method or tool in management accounting executed by a firm for the first time, and enhancement of innovation in management accounting focused on the intensity of R&D expenditure relative to firm assets and competitive pressure in the industry. Hypothesis testing results showed that multi-level networks for the dissemination of management accounting innovation have a significant negative impact on financial distress.

4. Originality/value

These findings suggest that innovation networks can serve as an effective tool for addressing financial crises and improving firms' financial status, highlighting the importance and applicability of innovation networks. This research emphasizes that management accounting innovation networks act as a key factor in reducing financial distress. These findings can serve as a practical guide for financial managers and policymakers to leverage innovation networks to enhance financial performance and address economic challenges.

Keywords: Innovation Diffusion, Strategic Management Accounting, Financial Distress, Managerial Ability.
JEL classification: M41, O32